



ARIZONA STATE SENATE
Fifty-Third Legislature, Second Regular Session

FACT SHEET FOR S.C.R. 1007

senior property valuation freeze; income

Purpose

Subject to voter approval, constitutionally adds a specification to the meaning of *income from all sources including nontaxable income*.

Background

In 2000, voters approved Proposition 104 which established a property valuation protection option for Arizona residents who are 65 years of age or older within the Arizona Constitution. In order to qualify for the option, a person must have resided on the property for at least two years, and the total combined income of the property owner, including nontaxable income, must not exceed 400 percent of the supplemental security income benefit rate established in section 1611(b)(1) of the Social Security Act. If a property is owned by two or more persons, the total combined income must not exceed 500 percent of this amount. The county assessor must take the average of the person's total income over three years in the review of eligibility. If an application for a protection option is approved, the value of the property is fixed at the full cash value of the property at the time the application is filed, and remains fixed for three years ([Ariz. Const. art. 9, § 18](#)).

According to the Social Security Administration, the current monthly Supplemental Security Income payment authorized by Section 1611(b)(1) of the Social Security Act is \$750. This means that an applicant for the valuation protection program must not have a three-year average income exceeding \$36,000 if the applicant is the sole owner of the property, or \$45,000 if the property is owned by two or more persons.

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Specifies that for the purposes of reporting income for the valuation protection program, *income from all sources including nontaxable income* includes realized gains on equity and interest-bearing investments, but does not include any amount of the original investment recovered in the transaction.
2. Makes technical changes.
3. Requires the Secretary of State to submit the proposition to the voters at the next general election.

FACT SHEET

S.C.R. 1007

Page 2

4. Becomes effective if approved by the voters and on proclamation of the Governor.

Prepared by Senate Research

January 22, 2018

FB/ZD/lb